

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FMC-04 SCEM-02 SCI-06 INT-08

CG-00 CIAE-00 INR-10 NSAE-00 RSC-01 DODE-00 COME-00

TRSE-00 DRC-01 /060 W

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P R 142109Z JAN 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 9516

INFO PANCANAL

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EO 11652: N/A

TAGS: ETRN, ENRG, PN

SUBJ: REQUEST FOR BUNKER "C" PRICE QUOTATIONS

REF: STATE 004449

SUMMARY: STEAMSHIP LINE REPRESENTATIVES, OTHER TRADE SOURCES AND PANAMA CANAL COMPANY (PC) REPORT STEEP INCREASES IN BUNKER "C" FUEL PRICES. SUPPLY AND DISTRIBUTION WORKING REASONABLY WELL, AND WITHOUT DELAY OF SHIPS TRANSITING CANAL, DESPITE INCREASED DEMAND AND, IN PAST TWO MONTHS, LOWER AVAILABILITIES. POSTED PRICES PER BARREL INCREASED FROM \$4.42 IN JANUARY 1973 TO OVER \$10 JANUARY 1974 DUE TO ACTIONS BY MIDDLE EAST PRODUCING COUNTRIES AND VENEZUELA. PRICES POSTED BY SUPPLIERS WERE RELATIVELY UNIFORM ON DATES SPECIFIED REFTTEL, AND THERE IS NO APPARENT DEVIATION ABOVE THESE RATES. BUNKER NOT AVAILABLE SINCE NOVEMBER FOR SPOT PURCHASES. WITH RARE EXCEPTIONS, ALL SALES ARE MADE BY SIX MAJOR OIL COMPANIES UNDER CONTRACT AT 10 TO 30 CENTS BELOW POSTED PRICES. PRICES AND DELIVERIES ARE CONTROLLED BY HEAD OFFICES, AND INDEPENDENTS LACK SUPPLIES/ FACILITIES, SO BLACK MARKETEEING IMPROBABLE. END SUMMARY

1. EMBASSY OBTAINED FOLLOWING POSTED PRICES FOR BUNKER "C" FUEL FROM LOCAL AMERICAN STEAMSHIP LINE REPRESENTATIVES AND LIMITED OFFICIAL USE

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OTHER TRADE SOURCES. PANAMA CANAL COMPANY (PC) INFORMATION

CORROBORATES THESE DATA. PRICES ARE DOLLARS PER BARREL DELIVERED
SHIPBOARD AT CRISTOBAL TERMINAL. PRICES FOR DELIVERIES AT
BALBOA 20 CENTS HIGHER.

JAN 1973 DEC 1973 JAN 1974

SHELL 3.42 6.12 TO 7.62 12.75

ESSO 3.42 6.40 10.02

TEXACO 3.42 7.62 10.40

MOBIL NONE 7.12 7.12
(AS OF JAN 8)

2. FIVE US MAJORS, TEXACO, ESSO, MOBIL, GULF AND CHEVRON,
AND SHELL (UK) MAKE DELIVERIES ONLY UPON RECEIPT OF NOMINATION
FROM HEAD OFFICE. INCREASED DEMAND SINCE MID-1973 AND REDUCED
SUPPLIES HAVE REQUIRED CUTBACKS IN DELIVERIES OF TEN PERCENT OF
1973 LEVELS (30 PERCENT TEMPORARILY IN DECEMBER) AND TERMINATION
LAST NOVEMBER OF NON-CONTRACT "SPOT" SALES (CUSTOMARILY MADE
AT POSTED PRICES). CONTRACT SALES ARE MADE AT PRICES FROM 10
TO 30 PERCENT UNDER POSTED PRICES.

3. LONG-TERM CONTRACTS WITH SUPPLIERS FOR PC OWN USE
(POWER PLANTS AND STEAMSHIP) OF BUNKER "C" AT PRICES
WHICH CURRENTLY ONE-THIRD OF POSTED PRICES.

4. SHORTAGES ELSEWHERE, ESPECIALLY IN FAR EAST AND
EUROPE HAVE PROMPTED OPERATORS TO TAKE ON MORE FUEL IN
PANAMA. DELIVERIES INCREASED STEADILY DURING LAST HALF
1973 AND NOW AVERAGE 5 MILLION BARRELS A MONTH.
SAYRE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUEL OIL, STEAMSHIP LINES, CONTRACTS, PRICE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PANAMA00238
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740143/aaaaboxg.tel
Line Count: 94
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 004449
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 18 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 SEP 2002 by elyme>; APPROVED <18-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR BUNKER "C" PRICE QUOTATIONS
TAGS: ETRN, ENRG, PN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005